

July 17, 2009

Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the July 17, 2009 meeting were distributed to Commission members, intervenors and other interested parties June 19, 2009 and sent to the Secretary of State's Office for posting on June 22, 2009.

Commission Present: Colon Durrell, Richard Cook, John Joseph, Mark Hedrich, *ex-officio* and Chairman Michael Wiers

Commission Absent: None

Department Officials: None

Staff Present: Tim Drake, Executive Director, and Carol Gauthier, Office Associate

Legal Counsel: Amy Mills

Intervenors Present: John Blake, H.P. Hood, Inc., Thomas Brigham, Oakhurst Dairy, Marc Lessard, Hannaford's, Stephen Pyne, DMS, Dale Cole, President of the Maine Dairy Industry Association (MDIA), Julie-Marie Bickford, Executive Director of Maine Dairy Industry Association and Shelley Doak, Executive Director of the Maine Grocers Association.

Others Present: Fred Hardy from MDIA; Chuck Farrand, Clayton Davis of DFA, Gary Anderson and Patrick Heacock, Dr. George Criner and Amy Cook from the University of Maine, Barney Wright, Ruby Hardy, public attendees; also Bill Randall of Agri-Mark.

Public Hearing on chapter 26 Producer Margins was called to order at 1:40 p.m. by chair Michael Wiers.

Dr. Criner presented an updated final report on the 2007 Maine Dairy Cost of Production Study. He also presented an updated version that reflected inflation from June 2007 through May 2009. He also gave an overview of his justification for weighting the results per cwt. vs. per cow. Chairman Wiers asked how weighting by cwt and not by cow or farm numbers is justified. Dr. Criner then explained the different weighting schemes. Dale Cole asked if these results included all costs. Dr. Criner replied that they did.

The Commission set August 21, 2009 at 1:30 as the date that they would meet to discuss testimony and consider adopting new producer margins.

Chairman Wiers called the regular meeting of the Commission to order at 1:56 p.m.

Agenda Item 1: Minutes: John Joseph made a motion to accept the minutes of the June 19, 2009 meeting. Richard Cook seconded. Motion passed 4-0.

Agenda Item 2: Amy Mills, Assistant Attorney General: Nothing to report.

Agenda Item 3: Minimum Prices:

Tim Drake reported that there is a prevailing premium of \$1.10/cwt on Class I for June 2009 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for June is \$13.29.

He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.66/cwt. He stated that this price schedule was for information purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked if there were any comments or new information from the interveners. Julie-Marie Bickford of MDIA noted that there had not been a tier payment in June for May milk and that the payment next week for June milk is desperately needed. Ms. Bickford also noted that the situation in other states is worse; for example Vermont is on the brink of losing many of its farms, which is a disaster. Richard Cook asked if there had been any adverse reaction to increasing the producer margin last month. Tom Brigham answered that it was too soon to tell and John Blake stated that sales continued to be soft. John Joseph made the motion to accept order 08-09 as presented, Richard Cook seconded this motion. Chairman Wiers called for a vote, the motion passed 4-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for June 2009 which included prices for Augusta, Bangor/Brewer, Palmyra, Auburn and Brunswick.

Agenda Item 5: Next Scheduled Meetings:

- August 21, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- September 18, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- October 23, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- November 20, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

Agenda Item 6: Other:

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary.
2. **Milk Promotions:** None
3. **Minimum Price Violations:** Tim Drake gave an update to the Stop & Shop violation. Staff sent a consent agreement that contained the penalties that commission had voted on last month but has not heard back from Stop & Shop. Staff was instructed to write a letter to Stop & Shop asking for a resolution by next month's scheduled meeting.

Agenda Item 7: Executive Session: The Commission did not go into Executive Session.

Adjourned: Adjourned at 2:25 p.m. July 17, 2009.

Tim Drake, Maine Milk Commission